



Shareholder update 26 January 2022

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A photograph of a rural farm landscape. In the foreground, a group of brown and black cows stands in a lush green field. A dirt road leads through the field towards the background, flanked by a wooden fence. A large, tall evergreen tree stands prominently on the left side of the road. The background shows rolling green hills under a cloudy sky.

# Half year result 2021-22



# Financial highlights

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**\$169.4m**

Total Revenue

↑ up 5.4% from \$160.7m

**\$35.6m**

NPAT (net profit after tax)  
from Continuing Operations

↑ up 6.2% from \$33.5m in the  
same period last year

**\$15.2m**

NPAT from Discontinued  
Operations following  
divestment of the  
Automation business

**\$61.2m**

EBITDA (earnings before  
interest, tax, depreciation  
and amortisation)

↑ up 4.7% from \$58.4m

**\$50.0m**

EBIT (earnings before  
interest and tax)

↑ up 7.0% from \$46.7m

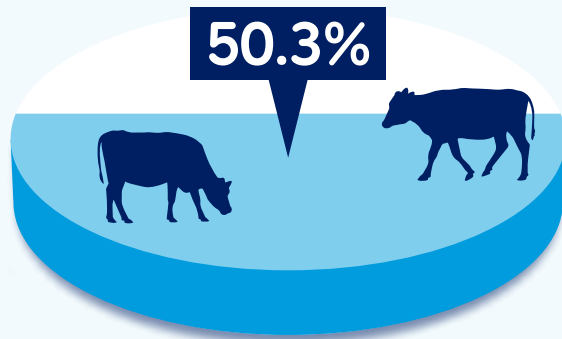
**\$22–26m**

Forecast underlying earnings  
(NPAT excl bull valuation  
change)\* for year-end

compared to \$22.3m in 2020-21

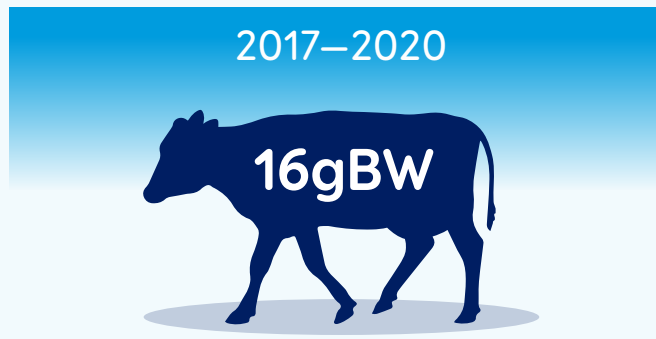
# Business highlights

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This year, **more than half** (50.3%) of total AB inseminations will be delivered by genomically selected young bulls, up from 41.3% last year and 12.6% in 2016-17. Within this, more than 200,000 sexed straws will be despatched to farmers, up from 110,000 last year, and 33,804 the year prior.

This result is driven by more farmers investing in the co-op's premium artificial breeding (AB) products, including sexed semen. With a focus on cow quality over quantity, we're seeing more farmers turn to high genomic BW sires (gBW) to help them meet climate targets and drive efficiency gains.



The average genetic gain per annum from 2017-2020 was 16gBW, (up from 9gBW per annum in 2012-2016).

**Genomic selection now underpins our breeding programme** and we're proud of the value it is delivering on-farm. More info is available on [our website](#).



The LIC team worked hard to deliver a largely **business as usual** season to our farmers this season, despite our main bull farms and laboratories operating under the Level 3 Covid-19 restrictions that were in place in the Waikato for most of this period.



Video address:

# Board Chair and Chief Financial Officer

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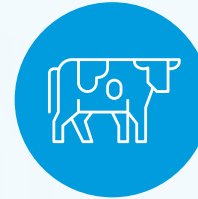
# Our strategy

Doing what we are good at. Playing to our strengths.



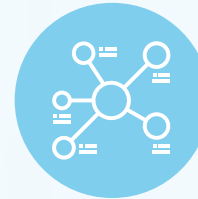
## Our Farmers

Deepen our understanding of the current and future needs of all of our farmers.



## Animal

Most sustainable & efficient animal. Highest value products.



## Data & Digital

Modernising the animal data & digital capabilities.



## Innovation

Research & development. Responsive innovation.

# Our three commitments to you

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1

## **Operational Excellence**

We commit to getting the basics right and delivering for you, on time, every time.

2

## **Faster Genetic Improvement**

We commit to having your back when it comes to helping you meet the environmental challenges you face, in particular animal efficiency, and nitrogen and methane mitigation.

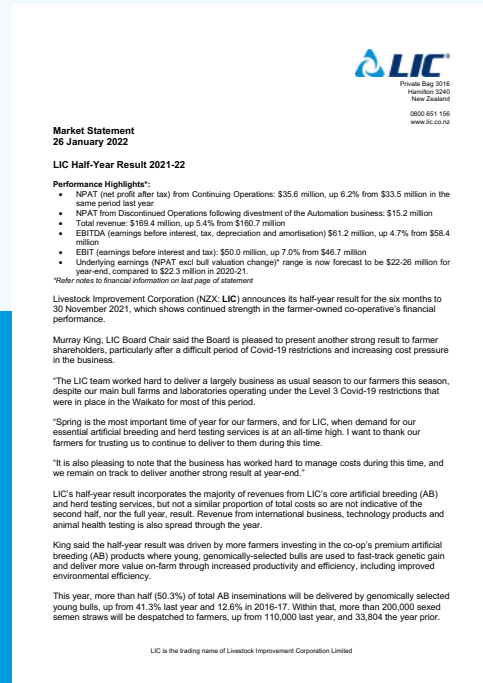
3

## **Software Reliability and Performance**

We commit to being better at delivering our software to you. We renew our commitment to continuous improvement and transparency around delivery of new features.

# Documents for download

## Market Statement



## Interim Report



These documents are available to download [on the LIC website](#)



# Outlook

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Underlying earnings (NPAT excl bull valuation change)\* at year-end is forecast to be in the range of \$22-26 million, assuming no significant climate event or milk price change takes place between now and then, nor any major impacts from M. bovis or Covid-19.

**LIC expects underlying earnings\* in 2022-23 to be in the range of \$20-26 million.**

\* Refer notes to financial information on last page of market statement





